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DOL FOR JRICARDS  
DEPT FOR USTR LABOR FOR AROSENBERG AND  
USTR ENVIRONMENT AND NATURAL RESOURCES MBURR  
DEPT ALSO FOR USAID/LAC/RSD FOR DJESSEE AND JGARRISON,  
WHA/PPC MPUC CETTI, WHA/EPSC JBANDO, DRL/IL GRIGG, AND  
OES/ENV FOR RKA STENBERG AND BWING

E.O. 12958:N/A

TAGS: [EAID](#) [ELAB](#) [ETRD](#) [SENV](#) [GT](#)

SUBJECT: GUATEMALAQ5 INPUT ON FY07 LABOR AND ENVIRONMENT TRADE CAPACITY

REF: STATE 37718

- ¶1. Summary: Per reftel request, post submits the following proposals f
- ¶2. As requested reftel, this cable outlines post priorities for CAFTA-D
- ¶3. Our recommendations build upon work initiated with FY05-FY06 CAFTA-D
- ¶4. In the area of labor, post recommends continued focus on projects an
  - strengthen the labor ministries by professionalizing labor inspector
  - strengthen the effectiveness of the judicial system to enforce exist
  - eliminate gender and other types of discrimination in the workplace;
  - enhance benchmarking and verification procedures; and
  - support the development of a culture of compliance with labor laws t
- ¶5. In the area of the environment, post recommends prioritizing activit
  - strengthen institutional capacity to improve implementation and enfo
  - enhance biodiversity and conservation;
  - promote market-based conservation, including sustainable tourism and
  - improve private sector environmental performance; and
  - address specific CAFTA-DR obligations that promote public participat

These suggested activities represent a consensus view between the USG a

- ¶6. The information below is keyed to reftel format:
  - a. Specific objective(s), element, and sub-element, and anticipated fun
  - b. Brief description and expected outcomes of the project
  - c. Pipeline and mortgage data if continuation of on-going project, and
  - d. Linkage between the proposed project and the White Paper or the Work
  - e. Local Qbuy-inQ
  - f. Host governmentQs view of how projects underway are meeting the init
  - g. Public diplomacy/public outreach strategies

#### LABOR ACTIVITIES

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Proposal 1: Strengthening Labor Inspectorates to Improve Implementatio

- a. Specific Objective: governing justly and democratically

Program Area 2: Good Governance  
Program Element 2.2: Public Sector Executive Function  
Program Sub-element 2.2.3: Civil Service and Public Administration  
Funding Level: \$1,000,000

- b. Labor Inspectorates throughout the region suffer from institutional

In an effort to expand its reach outside the capital, the Ministry of L

Given the Labor Inspectorate's key role in the enforcement of labor law, the Post also recommends a program to continue modernization and expansion. While all Guatemalan government institutions are under-funded, the Ministry of Labor also suggests raising the profile of the Labor Inspectorate by increasing its budget. Various USG projects have conducted training for labor inspectors, but the White Paper specifically cites the failure of Guatemala's Labor Inspectorate. Representatives of the Ministry of Labor, business associations, and civil society are already meeting the initial recommendations of the White Paper. As one of the few donors in the area of labor rights, the USG is highly encouraged to support this effort.

Proposal 2: Strengthening the Labor Court System to Enforce Existing Labor Laws

a. Specific Objective: governing justly and democratically

Program Area 1: Rule of Law and Human Rights

Program Element 1.3: Justice System

Program Sub-element 1.3.2: Operations of Institutions and Actors; 1.3.2.1: Labor Courts

Funding Level: \$700,000

b. Guatemala's labor court system suffers from a heavy case backlog due to a lack of resources. The Post recommends a project to increase the number of labor courts, as well as to improve the quality of the judiciary. This project would strengthen the rule of law by improving the judicial system. The USG has existing programs to promote oralization of court proceedings. The White Paper stresses the need to strengthen the judicial system. Representatives from the Ministry of Labor, organized labor, human rights organizations, and civil society are already meeting the initial recommendations of the White Paper. Lack of respect for the law is a persistent, critical problem affecting the rule of law.

Proposal 3: Eliminating Gender and Other Types of Discrimination

a. Specific Objective: governing justly and democratically

Program Area 1: Rule of Law and Human Rights

Program Element 1.4: Human Rights

Program Sub-element 1.4.2: Human Rights Systems and Policies

Funding Level: \$120,000

b. The Guatemalan Constitution guarantees equality of opportunity for men and women. In practice, many women face job discrimination, receiving lower pay than men. The Post suggests the following activities to address the problem of gender discrimination:

- effecting legislative reform, through consultations in the Tripartite Commission;
- enhancing the capacity of labor inspectors to detect, investigate, and prevent labor discrimination;
- creating a monitoring system to detect, investigate, and prevent labor discrimination;
- strengthening the National Wage Commission by increasing the capacity of its members.

c. FY05-FY06 funds supported regional work in the textile and apparel industry.

d. The White Paper cited gender and other forms of discrimination as an obstacle to economic growth.

e. Representative of the Ministry of Labor, organized labor, and human rights organizations are already meeting the initial recommendations of the White Paper.

f. While projects already underway are addressing this problem, more support is needed.

g. The overwhelming majority of maquila workers in Guatemala are women.

Project 4: Promoting a Culture of Compliance with Labor Laws

a. Specific Objectives: governing justly and democratically

Program Area 4: Civil Society

Program Element 4.1: Civic Participation

Program Sub-element 4.1.4: Civic Participation and Democratic Culture;

Funding Level: \$500,000

b. Communication and coordination among key stakeholders are crucial fo

Essential elements of the approach include in-depth stakeholder assessm

In addition to the tripartite approach, engagement with the private sec

This project would expand the national dialogue on labor rights and lab

A large-scale, multi-stakeholder effort should build on the experiences

This public/private partnership would not replace or replicate the role

Another component of promoting a culture of compliance would be buildin

Programs in three core areas are critical to meeting these objectives:

-- Programs to develop a new generation and cadre of labor rights advoc

-- Programs that educate workers and shop stewards on workersQ rights,

-- Programs that strengthen labor organizations and build their institu

Post envisions that for such programs and efforts to be effectively imp

Progress in promoting a culture of compliance would be measured against

c. The extent of the public/private partnership is new, but it is relat

d. The White Paper cites lack of a culture of compliance with labor law

e. Representatives from the Ministry of Labor, Congress, organized labo

f. DOL-funded Cumply y Gana project has been effective in addressing th

g. Multi-stakeholder activities, especially including U.S. name brands,

#### ENVIRONMENTAL ACTIVITIES

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Project 1: Institutional Strengthening for Effective Implementation an

a. Specific Objective 4: Economic Growth

Program Area 4.8: Environment

Program Element 4.8.1: Natural Resources and Biodiversity

Program Sub-element 4.8.1.1: Natural Resources Policy and Governance

Funding Level: \$2.545 million

b. Purpose: This activity will strengthen the ability of Guatemala to

While the challenge of meeting obligations under CAFTA-DR falls primari

Existing institutions responsible for effective enforcement are weak fo

Description:

-- Improve and harmonize laws, regulations, norms and environmental pro

-- Draft a regulation for fixed point sources emission standards.

-- Elaborate a solid waste management and disposal law.

-- Elaborate policy, regulations and strategies for mining and environm

-- Review and revise the regulations for the electricity sector (Law on

-- Prepare regulations on procedures for voluntary environmental compli

-- Review, update and disseminate the Bio-safety Law.

-- Develop regulations for non-ionic radiation.

-- Implement system of performance bonds and environmental insurance.

-- Develop rules and procedures for payments for environmental services

-- Standardize forestry management procedures among the pertinent insti

Expected Results: These activities will help the GOG develop the neede

-- Improve Environmental Law Enforcement (\$580,000)

-- Train personnel in charge of the effective application of environmen

- Promote the adoption and use of environmental monitoring, inspection
- Develop a national strategy for compliance with environmental legisl
- Procure monitoring equipment for national agencies charged with over
- Strengthen the government's capacity to undertake integrated watersh

Expected Results: This activity will institutionalize a training progr

- Compliance promotion, auditing, and environmental management systems
- Develop and implement a registration and certification system for en
- Develop guides and operating manuals to improve EMS.
- Promote the adoption of EMS and voluntary agreements by the private
- Produce radio spots to increase awareness and understanding of integ

Expected Results: EMS was identified as a priority for all CAFTA-DR co

- Strengthen Environmental Impact Assessment (EIA) Review and the eval
- Training for municipal personnel in environmental management.
- Develop capacity in application of best management practices, enviro
- Develop and disseminate technical environmental guidelines for EIAs

Expected Result: Increased capacity for local and national personnel t

- Strengthen the capacity to manage hazardous materials (\$75,000)
- Develop a manual of procedures and technical guidelines for the hand
- Train customs agents in the handling and management of hazardous mat
- Explore options for the creation of a national information system of
- Begin to develop a database to register importers and exporters of c

Expected Results: In FY2007, officials responsible for the monitoring

- Pollution Release and Transfer Registry (PRTR) (\$50,000)

Expected Result: Increase utilization of release information to evalua

- Establish an inventory and atmospheric emissions model (\$20,000)

Expected Result: Increased utilization of monitoring stations in Guate

- Support for CAFTA-DR environmental unit to receive inputs from civil
- Strengthen the CAFTA-DR environment unit and help establish administ
- Public outreach and education on the environment provisions of CAFTA
- Finalize and implement an operational manual for the receipt and inv
- Design and implement a tracking system for citizen complaints and de

Expected Result: Build national capacity to respond to citizen complai

- Develop and enhance NGO participation in environmental matters and t
- Develop and implement procedures for public participation in environ

Expected result: Increased participation by civil society in environme

- University Environmental Partnerships (\$350,000)
- Establish an official link between academic and environmental sector

Expected result: Environmental science, engineering, and law curricula

- Strengthen the capacity for analysis and equipment in environmental
- Strengthen the equipment in and capacity for mobile environmental la
- Support analytical laboratories in obtaining ISO 17025 certification

Expected Result: Enhanced ability for environmental auditors to provid

c. Pipeline/Mortgage data: FY06 \$250,000 pipeline for policy-related w

d. Linkage to ECA/enhanced trade: The projects address the core obliga

e. Local buy-in: All of these project proposals were vetted through th

The CAFTA-DR countries have indicated their interest in strengthening t

f. Policy-related work through ABT Associates with FY06 funds is ongoin

g. Public diplomacy/outreach strategies for project: Public consultatio

Project 2: Enhancing Biodiversity and Conservation

a. Specific Objective 4: Economic Growth

Program Area 4.8: Environment

Program Element 4.8.1: Natural Resources and Biodiversity

Program Sub-element 4.8.1.3: Biodiversity Policy and Governance

Funding Level: \$590,000

b. Purpose: This activity will help countries comply with multilateral

This activity also addresses the threat to biological diversity from in

Description:

- Improve protection and conservation of fauna and flora listed under
- Design and create a wildlife rescue center.
- Officially designate ports of entry and exit for CITES.
- Build capacity among customs agents in taxonomic identification of C
- Strengthen the capacity of scientific authorities to conduct studies
- Create a biodiversity conservation incentive fund to help promote in
- Build capacity and public knowledge regarding the application of CIT
- Develop and implement a strategy to control illegal logging and traf

Expected Result: Intra-governmental mechanisms in place for effective

- Improve fishing regulations and implementation to reduce incidental
- Purchase equipment and train officials in its proper use to reduce i

Expected Result: Reduced incidental catch of sea turtles due to fishin

- Identify trends in invasive aquatic species related to trade and dev
- Develop and implement contingency plans to control exotic species in
- Develop and implement a contingency plan for eutrophication impacts

Expected result: Reduced threat from aquatic invasive species in key w

c. Pipeline/Mortgage data: FY2006 \$200,000 support for CCAD Cooperativ

d. Linkage to ECA/enhanced trade: The activities support key Central A

e. Local buy-in: The project is a top priority for the region per ECA

f. Under a FY06-funded CCAD Cooperative Agreement, regionally focused a

g. Public diplomacy/outreach strategies: Focus on public participatio  
Proposal 3: Promoting Market-based Conservation

a. Specific Objective 4: Economic Growth

Program Element 4.8.1: Natural Resources and Biodiversity

Program Sub-element 4.8.1.2: Sustainable Natural Resources Management

Funding level: \$325,000

b. Purpose: The activity supports the strong connection between adequa

Description:

- Develop sustainable tourism and alternative income sources. (\$75,000
- Develop and disseminate materials to promote best practices in infra
- Increase the application of clean production mechanisms in the touri

Expected result: Improved environmental management in the tourism sect

- Facilitate marketing of sustainably managed agricultural and forestr
- Increase the number of hectares of sustainably managed forest by 220
- Promote the export of environmentally friendly goods and services th

Expected result: Increased income in the agriculture and forestry sect

- c. Pipeline/Mortgage data: \$200,000 FY06 funds in pipeline for forestry
- d. Linkage to ECA/enhanced trade: This activity specifically addresses
- e. Local buy-in: These activities and the mechanism for implementation
- f. FY06-funded projects through Rainforest Alliance and Counterpart In
- g. Public diplomacy/outreach strategies: The activities described here

Project 4: Improving Private Sector Environmental Performance

a. Specific Objective 4: Economic Growth

Program Element 4.8.1: Natural Resources and Biodiversity

Program Sub-element 4.8.1.2: Sustainable Natural Resources Management

Funding Level: \$650,000

b. Purpose: This activity will improve the private sector's environment  
Description:

- Promote the competitiveness and compliance of industries employing clean
- Publicize the Policy for Cleaner Production.
- Institutional strengthening (administrative, technical, operational)
- Develop technical guidelines for voluntary agreements in clean production
- Promote public-private partnerships and voluntary agreements to improve
- Mobilize financing for clean production and clean energy initiatives
- Establish networks and associations between CAFTA-DR companies and U.S.

Expected results: Net reduction in energy consumption and expenditures

- c. Pipeline/Mortgage data: These activities will likely be implemented
- d. Linkage to ECA/enhanced trade: This activity directly supports one
- e. Local buy-in: Ministries of Environment and Economy have consulted
- f. This is a new project that will build on ongoing projects.
- g. Public diplomacy/outreach strategies: In addition to addressing corruption

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